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Dr. Nawal Kamel
Special Advisor to the Deputy Minister
Natural Resources Canada
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580 Booth Street
Ottawa, ON K1A 0E3

Mr. James W. Glotfelty
Director, Office of Electric Transmission and Distribution
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Re: Comments on the U.S./Canada Power System Outage Task Force Interim Report

Dear Dr. Kamel and Mr. Glotfelty:

The National Hydropower Association (NHA)¹ writes to comment on the November 2003 Interim Report on the August 14, 2003 blackout in the eastern United States and Canada. NHA applauds the Task Force for the tremendous amount of work put into the research, investigation and analysis of the events leading up to the blackout. NHA also looks forward to the release of the Final Report and its recommendations on how to minimize the likelihood and scope of future blackouts.

The events of August 14 highlighted for many a concern which NHA had expressed for several years. The lack of new investments in generation and transmission capacity, and the lack of long-term, centralized planning have clearly placed the security and adequacy of the electric system at risk. This serious problem, coupled with a devaluing of technologies that offer black start and spinning reserves, such as hydropower, places our nation on a course that could have long-term and troubling consequences.

¹ NHA is the only national trade association committed exclusively to representing the interests of the hydroelectric power industry in the United States. Our members represent over 61 percent of domestic, non-federal hydroelectric capacity and nearly 80,000 megawatts overall in North America. NHA's membership consists of more than 110 companies, including public utilities, investor owned utilities, independent power producers, equipment manufacturers, environmental and engineering consultants and attorneys.

The hydroelectric industry's response to the blackout underscores the importance of the hydropower resource to the electric power system. Hydropower projects in New York and several other states continued to run throughout the disturbance and hydropower's unique black start operational ability allowed plants to generate power almost immediately, assisting in initiating grid stability.

The Interim Report (pages 4-7) references the North American Electric Reliability Council's (NERC) operating and planning standards for ensuring the reliability of the grid. These standards are based on seven key concepts, of which the seventh is "Prepare for Emergencies." Under that concept the Interim Report states that "to deal with a system emergency that results in a blackout...there must be procedures and capabilities to use 'black start' generators." NHA completely agrees.

Hydropower's unique black start capability proved essential to establishing and continuing service throughout the affected region. As cited throughout the Interim Report, hydropower projects supported electricity demand in upstate New York. Also, hydropower's operational flexibility played an important role in initiating grid stability on August 14. As the report states on page 61, the island supported by hydropower generation "formed the basis for restoration in both New York and Ontario."

While other generation sources took, in some cases, days to begin generating again, many of the hydropower plants affected by the blackout were available for service within a matter of hours, not days. An informal survey conducted by NHA of its membership affected on August 14 revealed that while some plants tripped offline due to extreme fluctuations in the electricity grid, those same plants were returned to service within one to five hours of the event. In fact, in some cases hydropower plants were actually delayed from coming online only at the request of independent system operators or regional transmission organizations.

The Interim Report points to the importance of maintaining an energy portfolio that includes hydropower and its unique attributes. Yet, our national energy policy has not fully appreciated the role hydropower plays in grid stability. As such, from a national perspective we have not pursued policies that address problems facing hydropower or encourage new growth through capacity upgrades or incentives for development at existing dams. NHA believes this is a serious oversight and hopes that hydropower's quick start, flexibility and other important electricity attributes can be more fully appreciated in energy policy as we work to ensure the reliability of the electricity grid. NHA welcomes the opportunity to work with energy leaders to secure a more favorable environment in which we can increase the availability of this clean, emissions free and reliable energy source.

As it did during the northeast blackout of 1965, the hydropower industry met the challenge of the day and performed admirably. NHA is pleased that the Interim Report recognizes hydropower's critical contribution to the response of the crisis on August 14 and hopes that as policy recommendations are made, hydropower will be thoroughly included and recognized.

Again, NHA appreciates the opportunity to comment on the Interim Report. If you need any additional information, or have any questions, please feel free to contact me at 202.682.1700.

Sincerely,

A handwritten signature in cursive script that reads "Linda Church Ciocci". The signature is written in black ink on a light gray rectangular background.

Linda Church Ciocci
Executive Director